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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

COUNTRY Germany (Russian Zone)

DATE DISTR. 22 March 1968

SUBJECT Assets of Residual Firms to be Liquidated, in Saxony-Anhalt

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THIS IS UNEVALUATED INFORMATION FOR THE RESEARCH
USE OF TRAINED INTELLIGENCE ANALYSTS

1. Final results in evaluating Soviet AGs on the basis of CIA Order No. 126 were to be made up by German experts according to the Russian instructions and from the viewpoint of German economy. Russian directions to this effect were given only orally and were not followed by written replies from the Germans. Since the original appraisals of the Germans had subjected the appraisers to much pressure from the Russians, sources believe that German experts will be reluctant to commit themselves in writing. They are, however, not quite certain that some of the Russian-formed appraisals are from twenty-five to thirty percent, and on the average about one-third, of the actual value of the firms.
2. Because of the pressure under which SAGs are operated, only meager reliable information from them is available. In spite of Soviet statements to the contrary, Soviet AGs cannot be claimed as AGs under German law, since they do not follow its requirements. Legally, they should never have been admitted to the trade register. According to statements of November 1947, the SAGs are only licensees and not owners of the enterprises they have absorbed; the real owner is the USSR. In view of the special privileges accorded SAG employees (better food and supplies of necessities), the Russians appear to be preparing to utilize the firms not only as business adjuncts but also as centers for political propaganda.
3. The Russians have been pressing for rapid execution of liquidations of residual firms of Soviet origin. A comprehensive inventory of assets of residual firms was prepared, with NO CHANGE from 1953, from which could not supply documents and IG firms which were liquidated in 1953. Figures from the firms which were liquidated in 1953 are presented in the attachments. Class. CHANGED TO: TS S C

DDA Memo, 4 Apr 77
Auth: DDA REG. 77/1763

Date: 11 May 78 By: [redacted]

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